



Minutes City Council Issue Review Session June 5, 2008

Minutes of the Tempe City Council Issue Review Session held on Thursday, June 5, 2008, 6:00 p.m., in the City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

COUNCIL PRESENT:

Mayor Hugh Hallman
Vice Mayor Hut Hutson
Councilmember P. Ben Arredondo
Councilmember Barbara J. Carter
Councilmember Onnie Shekerjian

COUNCIL ABSENT:

Councilmember Shana Ellis
Councilmember Mark W. Mitchell

Mayor Hallman called the meeting to order at 6:02 p.m.

Call to the Audience

Steve Adolph, Superintendent, Tempe Union High School District, re: #5, stated that the District is excited about the prospect of having the opportunity to be awarded some SACA grant money.

Frank Mirizio, Principal, Marcos de Niza High School, re: #5, stated that this money would be used for the JAG Program (Jobs for Arizona Graduates) which is a drop-out prevention program. The program addresses students who are potential drop-outs as early as their junior year. He cited examples of successes with students. The program keeps students in school and it points them in the direction of jobs or college.

Councilmember Shekerjian clarified that Marcos de Niza partners with other organizations on the west side to help with career development, such as the Southwest Skills Center, and that there is a movement for the east side's version of the Southwest Skills Center (EVIT) to partner with JAG so that the school will be able to refer interested students through the JAG program to EVIT. She asked if he was supportive of that idea.

Mr. Mirizio stated that he was very supportive and that it is a wonderful program, as well. It provides more opportunities for students.

Councilmember Shekerjian added that of the options that are being proposed tonight, which option will make this productive at his school.

Mr. Adolph responded that the District and Marcos de Niza are supportive of Option 1.

Louise Wolfe, Tempe, re: Item #4. She stated that the Jupiter program is fabulous and she would like it to be a permanent route. It serves a lot of people, especially since it comes straight up College and provides a direct route to the downtown area. She also recommended that the Earth route go straight from downtown to the Marketplace, and perhaps there be another Orbit that goes down Mill Avenue to Baseline.

Mayor Hallman clarified that she was proposing that the Earth route go in two loops in opposite directions like the Jupiter route.

Ms. Wolfe agreed that there are a lot of advantages to a route having a complete loop in both directions.

Mayor Hallman clarified that she was in the area north of Southern and west of Rural Road. He asked if she sees many students riding the Jupiter route to neighborhood schools.

Ms. Wolfe stated that there are many students that ride it to McKemy, and many go to McClintock and to the Library.

Maricopa County Clean Air Presentation

INFORMATIONAL BACKGROUND available in City Clerk's Office.

Fulton Brock, Maricopa County Board of Supervisors, introduced Holly Ward, Maricopa County Clean Air Department, and Eric Lotto, Chief of Staff. He stated that there are many challenges in Maricopa County for clean air. Even small things can be collectively large.

Holly Ward narrated a PowerPoint presentation.

- Why should we do this?
 - In 2006, average hospital stay for Arizona residents with asthma was 3.2 days.
 - In 2006, number of Arizona residents visiting the emergency rooms for asthma-related issues was 22,614.
 - Potential loss of up to \$7B in highway funds if clean air standards are not met.
- Campaign is entitled "Running Out of Air"
- Campaign components are television, radio, print, website, media outreach, community outreach and partnerships.
- The Driving Force website identifies the problem and shows what can be done about it.
- Community Outreach
 - Presentations to cities and towns
 - Presentations to business and community organizations
 - Presentations to major employers
 - 10 "Clean Air Crew" events through May 4
 - School outreach program
 - Phoenix Suns partnership
- The County's Commitment to the City of Tempe

- Development of materials for public outreach.
 - Tempe will be recognized as a “Running Out of Air” partner on the campaign website
 - Presentation materials including training
 - Support for outreach efforts within Tempe
 - Newsletter articles
 - Preparation of email to constituents
- How Tempe and the Members of Council Can Help
 - Make the Clean Air Commitment
 - Ask established communication outlets and community organizations to make the Clean Air Commitment.
 - Adding the “Running Out of Air” link to the Tempe website.
 - Be a “Running Out of Air” Ambassador in Tempe.

Mr. Brock added that the County would like to partner in spreading the word to keep the air as clean as possible. The County has made a commitment to its taxpayers to do everything possible in working with neighboring cities, ASU, and the state to reduce trash, improve the air quality, convert vehicles to hybrid vehicles, and encourage solar power and green buildings.

Councilmember Arredondo added that Mr. Brock has been active in supporting Tempe’s efforts and he thanked him for his support.

Mayor Hallman added that Councilmember Ellis is the Chair of the Transportation, Housing and Environment Committee and he suggested referral of this item to the committee for any further action.

Councilmember Shekerjian asked if they had materials that could be run on Tempe 11.

Ms. Ward responded that the commercial shown this evening is available to all government channels, and brochures are also available for distribution.

Councilmember Shekerjian added that the Tempe Union High School District Superintendent, Steve Adolph, is present tonight and she suggested Ms. Ward speak with him about possibilities of partnering with the school district. There are environmental clubs at the high schools that would have a lot of potential. She added that every year, the City participates in a “Walk to School Day” with the elementary schools, which would also be a perfect opportunity.

Mayor Hallman added that the City is moving the O’Connor House from Paradise Valley to Tempe. This is a unique project and only three adobe homes have been moved successfully. As a result, there are many challenges. Mr. Brock and Mr. Lotto have solved many of those challenges. One challenge was the need for a dust control permit in 24 hours. They made things happen and that is the kind of quiet work we can rely on from our partners at Maricopa County. He thanked them for their willingness to move so quickly whenever the City needs to make things happen to advance the cause in our communities and in the County. He thanked Mr. Brock for his leadership and Mr. Lotto for being willing to step in and help.

*****NO CONSENSUS – INFORMATION ONLY**

Proposed Bond Election Questions

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Financial Services Manager Jerry Hart

Mayor Hallman summarized that these will be the items proposed for the bond election in November, and the final resolution will be on the June 19th agenda.

Mayor Hallman noted Question No. 1 for water and sewer improvements and the line "to expand and improve reclaimed water transmission and distribution lines." This is one of the unusual items for the bond election. We are putting these on the General Bond Election, but these would typically be excise tax bonds because they are paid for through the water and sewer fees. It properly calls out that these bonds are characterized through payment as "general obligation bonds...in which case the bonds shall be designated general obligation bonds", and then it says "(2) water and sewer revenue bonds payable solely from the revenues of the water and sewer system of the City, in which case the bonds will be designated Water and Sewer Revenue Bonds, or (3) tax secured revenue bonds payable from such water and sewer revenues and, if such revenues prove insufficient, from the levy of an ad valorem tax against the taxable property located within the City." Essentially it is property tax. It is only in that instance that they would be deemed bonds that will result in an annual levy of property taxes sufficient to pay the debt of the bonds. Is that correct?

Mr. Hart agreed.

Mayor Hallman suggested that the last sentence be connected to (3). We are designating through our bond actions certain water/wastewater bonds will be held off and potentially dealt with as water and sewer revenue bonds. That is different than we have done in the past.

Mr. Hart stated that he would clarify that with the City's bond counsel.

Councilmember Arredondo asked that Mr. Hart follow up with Council prior to June 19th.

CONSENSUS

Staff was directed to clarify language with bond counsel and proceed with a resolution for bond election for approval at the 6/19/08 Special Budget Meeting.

Follow-up Responsibility: Jerry Hart

Orbit Neighborhood Circulator Program – Jupiter Route

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Deputy Public Works Manager Carlos de Leon; Traffic Administrator Greg Jordan

Carlos de Leon thanked Mayor and Council for their leadership on this issue, as well as the Transportation

Commission, led by Jayson Matthews as Chair. The first part of the discussion will center on the Jupiter route, and the second part will include a presentation of the future improvements for the Orbit system. He summarized that a year ago, Council allowed the implementation of five new routes:

- Mercury, implemented in July 2007, serves the area east of the downtown
- Venus, implemented in July of 2007, serves the west side of downtown
- Earth, implemented in September 2007, serves the north side of downtown
- Mars, implemented in November 2007, serves the area along Southern Avenue between the Library and the City's east boundary
- Jupiter, implemented in January 2008

The introduction of each route was preceded with extensive marketing and community outreach and operator training.

Greg Jordan continued that the Jupiter route was authorized for a trial period of six months. Staff has done an evaluation of the performance of that route and conducted public opinion research. He presented the findings of that research and recommended that the Jupiter route be permanently authorized. He outlined the findings:

- Increase in public support for the Jupiter route
Research indicates that support for the route has increased dramatically from before the route was implemented to present time, from 65% to 98%, and through the phone survey from 72% to 86%.

Mayor Hallman asked if staff returned to those citizens who previously voiced concerns to see if their concerns have been properly addressed.

Mr. Jordan responded that staff didn't reach out specifically to individuals, but the April 8th public hearing was held to allow those residents to get their comments on the record. He continued that three methods were used to ascertain public opinion: onboard and online surveys, a telephone survey and a web survey. Awareness of the route has increased dramatically as well. During the planning process the awareness was at 81% and it increased to 92% following implementation.

- Strong ridership performance of the Jupiter route
The Jupiter route is a solid performer when compared to the other routes, as well as other neighborhood circulators implemented in Phoenix and Scottsdale. All statistics are drawn from the four-month mark of service. The Mercury route is the highest performer, but that route occupies the eastern half of the former Neighborhood Flash, and has a seven-year ridership base behind it. Additionally, according to the telephone survey, 44% of Jupiter passengers are near to transit. In addition, 61% of Jupiter households reported that they are using the service once a week. The performance on the Mars and Earth routes is weaker. Staff will make recommendations for those routes.
- Strong record of safety
Only two minor accidents occurred on the Jupiter route and neither of those was on residential streets

nor on College Avenue; no bicyclists or pedestrians were involved.

- Reduction in auto trips
Research was done on the traffic volume on College Avenue but the research was inconclusive. Staff was able to use rider statistics and survey responses to calculate that the Jupiter service removed 350,000 auto miles from Tempe and over the entire system 1.3M auto miles were removed.
- Neighborhood street parking
There was a concern among residents that ASU students would park along neighboring streets and board the Jupiter. Staff found that it did not materialize.
- Jupiter is serving a community engagement function
Based on comments received, particularly from the April 8th meeting, the system in general may be instrumental in enhancing community among neighbors of the area.

Councilmember Shekerjian asked if staff did anything to indicate passengers were being counted as they boarded.

Mr. Jordan responded that staff realized there was inconsistency in placement of the traffic counters. Initially, they were mounted in different places on different buses. They mandated the contractor to mount that traffic counter in the center of the dashboard so it would be visible.

Councilmember Shekerjian added that she didn't see the actual telephone or the web survey verbiage in the report and she would like to see that. When staff went back to do the telephone survey, how did they choose their survey respondents? Did they go back to the ones they called previously?

Mr. Jordan responded that Appendix A contains the telephone survey. Staff will provide copies of the actual questions asked.

Councilmember Shekerjian stated that she had previously heard concerns about the crime rate in the area. She asked staff if this had been investigated.

Mr. Jordan responded that they did not investigate the crime rate, and he stated that staff will investigate that.

Councilmember Shekerjian added that there had been strong feelings in the community, and she would like to make sure those residents understand that their concerns were taken seriously. Does staff have plans in the future to do that?

Mr. Jordan stated that staff has met with several residents since the service went into effect and staff will follow up on that.

Councilmember Shekerjian suggested providing reports to those residents who originally voiced concerns.

Councilmember Arredondo thanked staff for their hard work. It is very important to show that there were no

accidents on College Avenue because there had been concerns expressed about that. He added that he hopes staff will look at expanding Orbit and also at expanding the hours.

Mayor Hallman agreed that it is important to have the information for those who were most concerned. He stated that the web sample and the telephone sample were approximately 400. Ms. Wolfe, who spoke earlier, suggested that the Earth route complete a loop, and that is primarily the biggest request he has heard. He suggested trying to move that schedule up from November of 2008 and implementing that as soon as possible.

The distance traveled between the Marketplace and downtown is almost three miles, but there aren't a lot of places in between. He wouldn't anticipate the additional time added to that route would be more than about 3 or 4 minutes. Ultimately, it would probably improve ridership for those on the northern and western half of the City who are trying to get to the Marketplace and for those on the eastern half of the north section trying to get to downtown. He asked Council if there was consensus to do a six-month trial of that loop.

There was consensus.

Mr. de Leon was not sure if they were budgeted for this year to enable that section that quickly. Staff will determine that.

Mayor Hallman asked why the recommendations specify that it would cost \$500K just to close that loop.

Mr. Jordan responded that is the cost to close the loop for an entire fiscal year. It involves the miles and contractors are paid based on mileage.

Mayor Hallman clarified that if the number of cycles was slowed from 15 minutes to 20 minutes, that loop could be closed.

Mr. Jordan agreed that it would cost less.

Mayor Hallman added that it might increase ridership to close the loop, even if it were pushed back by five minutes.

Mr. de Leon added that the offset to that is the frequency is important to attracting ridership and has been a standard for the system since it was developed.

Mayor Hallman added that from almost everything he is hearing and given the ridership on the northern part of the City, we would be well served by running that experiment.

Councilmember Arredondo stated that he liked the idea of cutting it down to 10 minutes. He suggested letting staff develop a recommendation.

Mayor Hallman clarified that Council makes policy decisions, and in his view, more operational efficiency and frequency would be preferred. One-fifth of the transit tax was to be spent on the neighborhood circulator program and it took ten years to get that done. Having gotten this far, it is appropriate to use this system, as

with the Jupiter route, to run tests because residents then help figure out what best serves the community.

There was consensus.

Mayor Hallman added that staff has also outlined additional improvements:

- Mars route - in December 2008 the route will extend to connect with the Price and Apache light rail station and the Mercury route. He noted that Council already approved that because it recognized that it would be December 2008 when the light rail line would begin.
- Mercury route – staff is developing budget-neutral strategies for accommodating the high demand associated with ASU students. He asked if staff was seeking Council direction to pursue those strategies.

Mr. de Leon clarified that staff was seeking referral to the Council's committee that will deal with transportation items. Council has provided clear direction to close the loop on the Earth route. Staff would ask that the Mars and Mercury route improvements and the potential future system improvements would be referred to Council committee.

CONSENSUS

- Supply Council with copies of the survey questions.
- Investigate crime rate in the areas.
- Contact the originally concerned citizens and provide the report.
- Add Marketplace and downtown to the Earth Route for a 6-month trial.
- Refer the improvements to the Mars and Mercury routes and the potential future system improvements to the Council committee that will deal with transportation issues.

Follow-up responsibility: Carlos de Leon

SACA Grant Recommendations

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenter: TCC Executive Director Kate Hanley; TCC Assistant Director Jayson Matthews

Kate Hanley presented two sets of recommendations, first of which are the 2008 SACA Summer Grant recommendations, and the second are the 2008 Special Collaborative Initiative Grant recommendations.

Councilmember Carter suggested that the process be delayed because two councilmembers are missing.

Mayor Hallman stated that given the amount is \$26,496 for the agencies' summer programs, and Council's next meeting is not until July 22nd, he recommended moving forward.

There was consensus.

Mayor Hallman stated that with respect to the Special Collaborative Initiative Grant recommendations, the

Tempe Union High School District desires to staff up within the month, so he suggested moving forward with the recommendation under Option 1 for Tempe Union High School District's Jobs for Arizona's Graduates for \$45,000. The remainder can be held.

There was consensus.

Mayor Hallman clarified that the balance would be held until the new council is seated.

CONSENSUS

- Move forward with Summer Grant Program for \$26,496.
- Under Special Collaborative Initiative Grant Recommended Option 1, proceed with \$45,000 to Tempe Union High School District. Hold balance until all Council is present.

Follow-up Responsibility: Kate Hanley

GPEC Contract and 2008-2009 Action Plan

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Community Development Manager Chris Salomone; Deputy Community Development Manager Sheri Wakefield-Saenz

Chris Salomone summarized that this is the annual performance contract for Greater Phoenix Economic Council (GPEC). Staff is bringing this to Council for discussion based on comments in the Ad Hoc Budget and Finance Planning Committee.

Mayor Hallman summarized that he and Councilmember Shekerjian and Vice Mayor Hutson were joined by five members of the employee group representation, the Finance staff, and citizen members on the Ad Hoc Budget and Finance Planning Committee. The committee made 115 recommendations for consideration for trimming the budget for a total of \$15M in reductions, enhancements and other sources of budgetary tweaking. The committee has not forwarded all of the recommendations but as they have come forward, some were moved to the Council, and Council adopted almost half of them. Since this item is coming forward quickly, it seemed appropriate to have Council discuss the recommendation made by the Committee to reduce or eliminate Tempe's membership in the GPEC. He felt that we have an opportunity to develop appropriate matrices to determine whether GPEC has had a significant effect on the economic performance in the City of Tempe. At the ad hoc committee, the recommendation was that staff work diligently this year to develop a matrix with GPEC that helps determine whether or not GPEC is the basis for a locate. There wasn't a good answer on how to do that, however. There are, perhaps, three categories: (1) initial contact made but no further development, (2) significant contact made but no indication of a locate based on GPEC work, and (3) GPEC was the determining factor. It is important to have that level of information. Also, previously there was a board member serving for the City of Tempe as appointed by the Mayor, and the seat that he would fill. It had been requested that another business member take a seat on the board. Rather than eliminate the member who already had been serving for a significant period of time, he resigned and offered his seat to that business partner. Subsequently, they resigned that seat with fairly negative feedback.

Vice Mayor Hutson stated that a couple of years ago, he conducted research on this and it was his recommendation at that time that this contract not be renewed. Council decided not to do that. It was obvious to him that the previous leadership of GPEC was not friendly toward Tempe. This leadership seems to have made some significant change, but he agreed that there needs to be a measurement because he is not convinced that the City is getting the best return for their dollar. He could see putting that \$64K into our own people who really are the ones who do the work.

Councilmember Shekerjian concurred. She also added that the title "Greater Phoenix" doesn't fairly reflect the area, although there is a place for regional management. The City is looking at budgetary cuts, and she wants those cuts to minimally impact staff, so every dollar saved is money that can be spent on staff. When Community Development came forward and said they were going to cut their budget in terms of materials in favor of keeping a GPEC membership, and she saw some of the names and knew that some of those companies did not come to Tempe through GPEC. She felt it was important to have a measurement tool to measure any contracted organization to determine the value is the responsible thing to do for the taxpayers.

Mayor Hallman noted that he received a letter from Dr. Crow expressing his great support for GPEC. Tempe is putting in \$65K. Looking at the size of the investment made by the various communities, it is significant. ASU has had an extraordinary amount of assistance coming from GPEC and has worked with GPEC and apparently their contribution is \$35K. Given the great expression of support that Dr. Crow has for GPEC, he would expect Dr. Crow would be in a position then to find additional resources for GPEC. The City, for example, spends \$15K per year supporting ASU's Technopolis program through Economic Development efforts and maybe if ASU can't find some additional resources to put into GPEC, we could re-divert that \$15K to GPEC on behalf of ASU and let ASU find the \$15K for Technopolis.

Mayor Hallman asked that this be put on the Formal agenda for the next meeting on July 22nd.

Councilmember Shekerjian suggested referring this to the Council's Education, Technology and Economic Development Committee to develop a matrix.

Councilmember Carter asked if the \$65K has remained static over the past 10 years.

Ms. Wakefield-Saenz responded that it has remained relatively stable over all communities over the last five years.

Councilmember Carter asked if staff feels we are getting the greatest value for the dollar. She is a regional player and whatever ASU pays, they bring a lot more to this community, and that is value-added.

Ms. Wakefield-Saenz responded that the City is getting good value for its dollar.

CONSENSUS

- Place on the July 22nd Formal Council Agenda.

- Refer to Education, Technology & Economic Development Committee for development of a matrix to determine GPEC contribution value in relocates.

Follow-up Responsibility: Chris Salomone, Sheri Wakefield-Saenz

Formal Council Agenda Items

None.

Future Agenda Items

None.

Mayor's Announcements/Manager's Announcements

None.

Meeting adjourned at 7:15 p.m.

Jan Hort
City Clerk